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Emperor Bokassa I places crown on head of his wife, Catherine, in ceremony at Bangui.

Bokassa I Crowns Himself To Music of Mozart, Drums

ANGUI, Central African Empire, Dec. 4 (Reuters).—Bokassa I crowned himself Emperor of the Central African Empire here today to the mixed strains of art and tribal drums.

French colonial soldier, on his head a heavy gold studded with 2,000 diamonds in an indoor sports stadium before 3,000 guests dressed in formal evening gowns and crowns in the Napoleonic era, he crowned his wife, Catherine.

French forces during World War II.

He left the French Army 23 years later with the rank of captain after having fought in Europe and Indochina. He still receives his retirement pay.

When his native Oubangui-Chari, then a territory of French Equatorial Africa, became independent in 1960 as the Central African Republic, he was transferred to its army and took power six years later.

Avoiding the turmoil that affected many new African states, President Bokassa took on the role of a monarch, David Dacko, as personal adviser. Mr. Dacko still holds the post.

The aim of the coronation, according to Emperor Bokassa's aides, is in part to draw both investors and tourists to the poor, landlocked nation. It has cost an estimated \$25 million, according to Paris newspapers.

Bangui is described as a tiny trading post on the banks of the muddy Oubangui River 80 years ago, was ablaze with colorful burning and flags today in an effort to live up to its official



Emperor Bokassa I after coronation.

and gold coach pulled by a team of six white dappled horses.

The prince, dressed in a white naval officer's uniform trimmed in gold and a white peaked cap, yawned repeatedly and stamped his feet to the music during the coronation ceremony and the following high mass.

A band from the French Army's marine infantry, the former colonial troops in which the Emperor served, played Mozart and imperial marches inside the stadium.

After receiving his crown, the diamond-encrusted scepter and

At Tripoli Conference PLO Takes Hard Line On Peace Negotiations

From Wire Dispatches

TRIPOLI, Libya, Dec. 4.—Palestinian leaders declared a new hard line today against negotiations with Israel and demanded that the leaders of five Arab countries meeting here form a united front against Egyptian peace moves.

The Palestinian statement, issued at a press conference, reflected impatience at delays in the summit conference caused mainly by differences between Syria and Iraq.

A session was scheduled for late tonight for what sources said would be the signing of a final agreement. This move occurred after Iraqi sources said that they had received clearance from Baghdad this afternoon to soften demands.

Seized by Japanese Terrorists

Hijacked Jet Crashes; 100 Die Off Singapore

SINGAPORE, Dec. 4 (Reuters).—A Malaysian airliner hijacked by Japanese Red Army guerrillas crashed into the sea off the west coast of Singapore tonight, an airline spokesman said.

The Malaysian Airlines System (MAS) Boeing 737 was carrying 83 passengers and crewmen. Rescue workers at the crash scene reported no sign of survivors.

The plane was hijacked between the Malaysian island of Penang and the capital, Kuala Lumpur. The pilot radioed the control tower at Kuala Lumpur's Subang Airport saying the plane had been taken over by Japanese Red Army guerrillas, a spokesman for MAS said.

The pilot said they were armed with explosives.

The plane did not make its scheduled stop at Kuala Lumpur and headed south toward Singapore.

The Singapore government said the aircraft disappeared from radar screens at Singapore's Paya Lebar Airport at 8:14 p.m.

Wreckage Spotted

Four hours later wreckage was located in the Straits of Johore, which separate Malaysia from the island of Sumatra.

Sources in Kuala Lumpur said the Malaysian minister of agriculture, Datuk Ali Ahmad, was on the plane's passenger list.

Also on the list was the Cuban ambassador to Malaysia, who was on a tour of the country after presenting his credentials to the Malaysian king. He was identified as Mario Garcia Imchausti, who was based in Tokyo.

The Japanese Red Army was involved in a spectacular hijacking in September when it seized a Japan Air Lines plane over India and forced it to fly to Dacca.

In exchange for 151 hostages, the Japanese government handed over \$6 million together with six prisoners released from Japanese jails.

Tonight's disaster was believed to be only the third in which a hijacking has ended with the plane crashing. On Sept. 15, 1974, before the end of the Vietnam war, a South Vietnamese airliner seized by a hijacker exploded and crashed while coming in to land at an air base east of Saigon.

In 1948, Chinese bandits seized a Cathay Pacific Airways Catalina flying boat on a flight from Macao to Hong Kong.

The pilot resisted and the plane crashed. The only survivor was the bandit leader.

An MAS official said the plane involved in tonight's crash was carrying 50 Malaysians, 16 Malays, 7 Indians and 20 persons of other nationalities.

Troops Sent To Bermuda After Rioting

HAMILTON, Bermuda, Dec. 4 (Reuters).—About 150 troops were flown here from Britain today to help the Bermuda government restore order after the rioting, arson and racial strife that followed the execution of two blacks for murder.

The Bermuda government asked Britain for reinforcements yesterday after arsonists caused millions of dollars of damage.

A British Defense Ministry spokesman said in London that

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the soldiers were from the Royal Regiment of Fusiliers. More British troops were being put on standby, he said.

Although Britain is responsible only for external security on the island colony, the government here said it felt that Britain's help was needed because its own forces were exhausted and further trouble was expected.

The violence was triggered by the decision to hang two convicted black murderers on Friday. The men, one of whom called himself the "commander-in-chief of all anti-colonialist forces in Bermuda," had been found guilty of a string of political killings, including the murder of the colonial governor, Sir Richard Sharples, three years ago.

Rioting continued during the day yesterday, with blacks confronting police in the city's court area. Security forces used tear gas to quell rioters.

The island was generally calm last night, although there were a few minor incidents of arson. Arsonists destroyed Bermuda's largest liquor warehouse and a supermarket Friday night.

The two hanged men, Erskine Burrows, and Larry Tacklyn, were the first to be executed in Bermuda in 30 years.

But Doubts Israeli Promises Husseini Praises Sadat, Cites 'Moral Courage'

Interview with King Hussein of Jordan was conducted by Newsweek senior editor Bernard B. Kanner at his new palace at Hashbani, Amman. The lights were on across the Jordan Valley, were visible from the palace.

Agave—Prior to Egyptian President Anwar Sadat's visit to Jerusalem, did you have any doubts about his promises?

Husseini—We did indeed have doubts. I was so shocked and surprised at first. President Sadat did not give me so much as a hint of what he was going to do. I had personally read a basic common Arab position which the Arab League and the Palestine Liberation Organization would have ratified prior to a Geneva conference. This common position, out in two days of talks with Sadat and two visits to him, was identical to the one out by Egypt's President Anwar Sadat.

But the PLO is unacceptable to Israel, not to mention to Saudi Arabia. Must have some common front not even make it to get along work out an settlement.

The organization per se may not have been acceptable but the Palestinians as both in and outside the Arab League, would have been called upon to name representatives and help in selection. Otherwise, how the Palestinian problem be solved without the Palestinians' contribution toward solution?

What do you think Sadat really accomplished?

Putting aside our reservations about methodology, if you the situation dispassion-



King Hussein UPI.

Cites Issues' Complexity Carter Defends Record, Image Held by Public

WASHINGTON, Dec. 4 (NYT).—Following are excerpts of the text of an interview with President Carter last week by James Reston of The New York Times:

Reston—You asked if I could see you at the end of the year because my experience is that about this time people begin to settle down a little bit and be a little more reflective about what has gone in the past and where they are going.

After a year people who really wish you well are still puzzled and even troubled about Jimmy Carter, about what his philosophy is and where he is going.

The President—I think this is caused by several factors. One is that I am new on the national political scene, never having served in the government until I came into the White House. I don't have a congressional track record. I am not well known by the news media figures, and only during this year have I met with most of the leaders of other countries. Another thing that perhaps causes some confusion is that we have had to address as many of the very complex international problems as we possibly could very quickly. I think in the past, the basic question in people's minds was the relationship between ourselves and the Soviet Union. And a president could excite the public, or please the public, or have the public concerned simply because of his demeanor toward the Soviet Union and other matters were of secondary importance.

That is no longer the case, as much as it was before. Even during this year have I met with many of the very complex international problems as we possibly could very quickly. I think in the past, the basic question in people's minds was the relationship between ourselves and the Soviet Union. And a president could excite the public, or please the public, or have the public concerned simply because of his demeanor toward the Soviet Union and other matters were of secondary importance.

Mr. McCloskey, who has been ambassador to the Netherlands since autumn of last year, will go to Athens in place of William Schaefele, who was confirmed for the post last July but was subsequently rejected by the Greek government because of his testimony before the Senate Foreign Relations Committee.

Mr. Schaefele, 53, also a career diplomat, will be named ambassador to Poland, replacing Richard Davies, who has held the Warsaw post for the last five years, the officials said Friday.

4-Hour Battle in Malaga 3 Million Spanish Marchers Press Autonomy; Youth Slain

MADRID, Dec. 4.—The police fought a four-hour battle today with rioters in the southern city of Malaga as an estimated total of 3 million people demonstrated for home rule in various parts of Spain.

The national news agency Cifra said a 19-year-old protester was killed by a bullet and numerous other persons, among them 30 policemen, injured in incidents during the march for autonomy in Malaga.

The police used rubber bullets and smoke flares to scatter the protesters. But the dead youth, identified as Manuel Garcia, a member of a Communist union, was hit by gunfire, as were some of the injured, Cifra said.

The political parties of Malaga Province and the committee that organized demonstrations throughout Andalusia proclaimed a day of mourning Tuesday for the southern region.

In a radio appeal, they also accused the police of brutality. But they asked the population to remain calm and not to heed calls for a street protest in Malaga later in the night.

Spanish television estimated that 3 million people had demonstrated in Andalusia alone, 850,000 marching through Seville in the biggest protest.

The demonstrations had the

McCloskey Gets U.S. Athens Post

WASHINGTON, Dec. 4 (NYT).—The Carter administration has decided to appoint Robert McCloskey, a 55-year-old career diplomat, to be U.S. ambassador to Greece, filling a vacancy that has existed since last June, officials have reported.

Mr. McCloskey, who has been ambassador to the Netherlands since autumn of last year, will go to Athens in place of William Schaefele, who was confirmed for the post last July but was subsequently rejected by the Greek government because of his testimony before the Senate Foreign Relations Committee.

Mr. Schaefele, 53, also a career diplomat, will be named ambassador to Poland, replacing Richard Davies, who has held the Warsaw post for the last five years, the officials said Friday.



At the Arab conference in Tripoli yesterday, Libyan leader Col. Moamer Qadhafi holds aloft the hands of George Habash (left), leader of the Popular Front for the Liberation of Palestine, and Yasser Arafat, leader of the Palestine Liberation Organization. At far left is an Iraqi delegate, at far right is a Libyan official. The conference was called to discuss organizing opposition to efforts by Egyptian President Sadat to talk peace with Israel.

Egypt Recalls 5 Envoys

3 Experienced Negotiators Selected by Sadat for Talks

By Christopher S. Wren

CAIRO, Dec. 4 (NYT).—President Anwar Sadat's call for a meeting in Cairo later this month to clear the way for a new Geneva peace conference has been backed up with the designation of an Egyptian team of three experienced negotiators.

Egyptian diplomatic sources said that Cairo's delegation at the talks, which are expected to begin on Dec. 14, will be headed by Esmat Abdel Maguid, the ambassador to the United Nations. His associates will be Osama el-Baz, the foreign affairs adviser to Vice-President Hosni Mubarak, and Gen. Tawfik Magdoub, who helped work out the disengagement of forces in the Sinai Peninsula in 1973 and 1976.

Their appointments were disclosed after Egypt summoned home for consultations its ambassadors in five countries opposing Mr. Sadat's new peace initiatives—Syria, Iraq, Algeria, Southern Yemen and the Soviet Union. The indefinite recall of ambassadors, which an Egyptian diplomat called a "pre-emptive warning" to critics, includes the four Arab countries participating in a "rejectionist" conference in Tripoli, Libya.

The diplomatic reprisals, which were reported today by the semi-official newspaper Al-Ahram, underscore President Sadat's deter-

mination to press ahead with his efforts to promote Arab negotiations with Israel, following his visit to Jerusalem two weeks ago. Egyptian sources say that his initiatives have taken on a momentum of their own, with Mr. Sadat making the major decisions himself.

The Egyptian leader has shown himself ready to override not only the opposition of his Arab critics but also the reservations of well-wishers such as the United States and Saudi Arabia, who were not kept fully informed beforehand of Mr. Sadat's dramatic moves.

The initially cautious reaction that the Carter administration gave Mr. Sadat's proposal for a Cairo conference confirmed reports here that Washington did not learn about it until just before it was presented to the Egyptian parliament. There has been concern that Mr. Sadat has moved too fast after his controversial trip to Jerusalem, although it has not resulted in any serious frictions.

So far, only the United States, Israel and a United Nations representative have responded to Mr. Sadat's call for talks in Cairo to remove the obstacles to a new Geneva peace conference. The high caliber of the Egyptian delegation announced today indicated that Mr. Sadat was not being deterred by a lack of broader Arab support.

Mr. Magdoub attracted attention last month when he walked out of a UN General Assembly session to protest a Egyptian-Syrian attack on Mr. Sadat. Mr. el-Baz had served as a top aide to former Foreign Minister Ismail Fahmy, who resigned over Mr. Sadat's trip to Israel, and was subsequently shifted to the vice-president's office. Gen. Magdoub became known in the initial Sinai disengagement at Kilometer 101.

Softer Stand Sought

CAIRO, Dec. 4 (UPI).—Mr. Sadat said today that if Israel wanted last month's mutual non-aggression pledge to stand, it had better bring a softened negotiating position to the forthcoming Cairo talks.

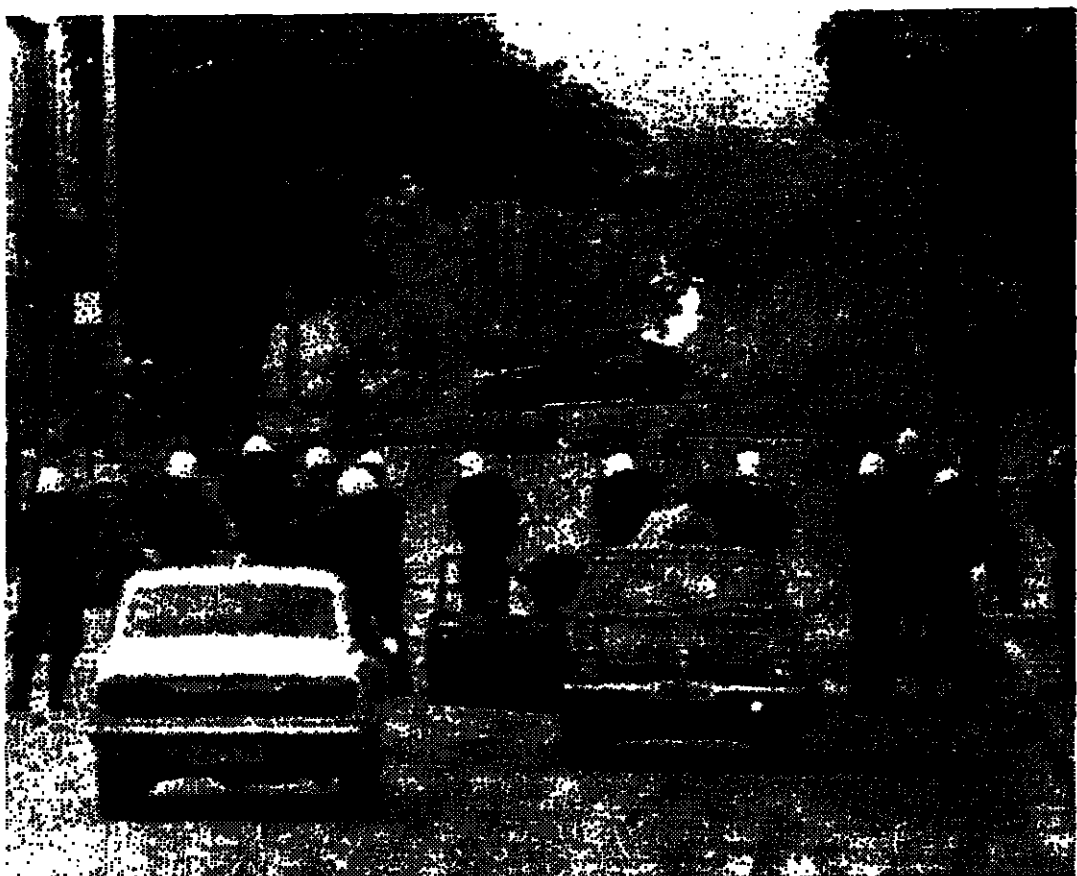
If not, Mr. Sadat said in an hour-long interview at his residence on the Nile, "They have to face the consequences... We will have a new situation."

Mr. Sadat said Egypt's demands were clear—total withdrawal from occupied Arab lands and establishment of a Palestinian state. Meanwhile, premier Mamdouh Salem told parliament that Washington must take a more active role in the Middle East, presumably to pressure Israel for concessions.

U.S. Aide to Moscow

WASHINGTON, Dec. 4 (Reuters).—A top U.S. official has gone to Moscow for talks with Soviet experts on the Middle East, the State Department said today.

The official, Philip Habib, was scheduled to arrive in Moscow tonight. "His trip is part of the continuing consultation between the United States and the Soviet Union on the Middle East," a State Department spokesman said.



As a car burns in center of street, police in Hamilton, Bermuda, line up to continue efforts to end disturbances that erupted after execution of two men convicted of murder.

Callaghan Said to Press Begin On Meaningful Reply to Sadat

LONDON, Dec. 4 (UPI).—Israeli Prime Minister Menachem Begin today sought British backing for his Middle East peace efforts. Diplomatic sources said Britain's Prime Minister James Callaghan called for a "meaningful" Israeli gesture in response to Egyptian President Anwar Sadat's recent Jerusalem mission.

Mr. Begin and Mr. Callaghan, each with a group of advisers, met for most of the day at the British Prime Minister's 10 Downing Street office. The two leaders had conferred without aides present at a preliminary meeting last night.

Stringent security precautions were in force at Mr. Begin's hotel and along his route to and from Downing Street. The talks began soon after 10:30 a.m., continued through a "working lunch" and were ended late this afternoon.

'Meaningful' Move

Mr. Callaghan, who will go to Brussels tomorrow for a summit meeting of Common Market government chiefs, was said by diplomatic informants to have told Mr. Begin politely but firmly that Britain and Israel's other friends in Europe expect some "meaningful" move from Israel as a response to the Sadat peace mission to Jerusalem.

A spokesman quoted Mr. Callaghan as having told Mr. Begin at their meeting yesterday that "the months ahead will call for great statesmanship from all great statesmen. If you and the Arab leaders can work out a peace agreement, you will be doing a great service to the world."

Although official information was sparse, diplomatic informants said Mr. Begin expressed optimism about ultimate Middle East peace prospects despite major difficulties still to be overcome.

Court in U.S. Denies Claim of 'Wrong' Baby

DETROIT, Dec. 4 (Reuters).

A 47-year-old mother of 13 has lost a million-dollar damage suit against a hospital that she claimed gave her the wrong baby after she gave birth eight years ago.

A state court jury decided that Catherine Thornton took home the right baby boy when she left the hospital in October, 1969.

Mrs. Thornton, who is black, had argued that the boy born to her had a dark complexion, high forehead and was very active while the child she took home was light-skinned, had a low forehead and was very quiet.

The hospital insisted that no mistake had been made. Experts testified that a baby's appearance and level of physical activity can change greatly in the first 15 hours after birth.

3 Million Spanish Marchers Press Autonomy; Youth Slain

(Continued from Page 1) promised more autonomy to the other main regions.

Clashes between extreme rightist Navarrese and Basque nationalists in the Navarre capital of Pamplona yesterday threatened the whole future of autonomy in the northern Basque region. At least 20 persons were injured and 14 demonstrators were arrested.

Bomb in Factory

Gunmen broke into the offices of a factory in the Basque town of Las Arenas last night and planted a bomb which caused extensive damage. No organization has yet claimed responsibility for the attack.

Two bombs exploded in Madrid law courts early today but caused no injuries, the police said.

During yesterday's troubles in Pamplona, a youth was hit with a police rifle butt and another by a rubber bullet, according to witnesses. Both were seriously injured.

Three youths also received knife wounds as thousands of rightists opposed to the integration of Navarre into a future Basque autonomous region clashed with leftist groups. Navarrese conservatives fear that Basque autonomy would merely be the prelude to the setting up of an independent Marxist state in the highly industrialized region.

The Madrid liberal newspaper El Pais said in an editorial today that Spain would never be able to enjoy democracy until the wounds of the Basque region had been healed and a referendum had been held in Navarre about that province's attitude to Basque autonomy.

Support for Franco

Navarre voted overwhelmingly against joining with the other three Basque provinces to form an autonomous region before the 1958-1959 Civil War. It was also the only Spanish province where the population rose in support of Franco when his military revolt began in 1936.

In Galicia, Franco's native

region, bells rang as huge demonstrations wound through the streets of Lugo and Coruna.

The people of Galicia are mostly impoverished fishermen and farmers. They gave the Premier's centrist coalition big support during June's parliamentary elections.

The Galicians and the Andalusians hope that regional autonomy will help them solve their chronic problems of high unemployment and industrial underdevelopment. Both regions provide the bulk of Spain's emigrant work force.

In Andalusia, bishops ordered regional flags to be hung from their palaces and gave their blessing to the demonstrations.

Socialist View

In Seville, the Spanish Socialist Workers party called on the government to grant the region home rule. The party is Spain's strongest opposition force and wants a federal state for Spain.

The government is committed to breaking up the centralized state and plans to grant the regions a provisional form of autonomy, pending the completion of a new constitution.

Meanwhile, the 15 parties in Spain's ruling Center Democratic Union (UCD) have been ordered to disband within the next eight days in an attempt to stop political infighting.

A statement issued by the UCD yesterday said that the party's ruling council had the full backing of Premier Suarez in its decision to call for the dissolution of member parties. Mr. Suarez wants to forge a strong and unified party for forthcoming municipal elections.

Imperial Rite For Bokassa

(Continued from Page 1)

Pope Paul VI. The Pontiff called on the Emperor to promote human, social and religious progress for our dear people of central Africa.

The imperial couple then drove to a main square before walking on foot amid platoons of security forces to the imperial palace.

Among foreign personalities present were Mauritius Prime Minister Sir Seewoosagur Ramgoolam, Cameroonian Premier Paul Eya, the wife of Rwandan President Moktar Ould Daddah, and Orlando Quilès, the papal nuncio in Bangui and special representative of Pope Paul. The Pope had refused an invitation to head Emperor Bokassa's coronation as his predecessor, Pius VII, had landed it to Napoleon.

Hussein Praises Sadat for 'Moral Courage'

(Continued from Page 1) they withdrew behind their June 4, 1967, borders.

Q—So why the reservations about Sadat's visit to Israel?

A—Because he gambled the Arab world's last card—a unilateral offer of total peace—without any assurance from Israel that it would lead to an overall settlement we had discussed with Sadat just a few days before. And I remain highly skeptical that Israel will now deliver its part of the peace package. Look at their government's settlement policy on the West Bank. Nothing has changed. There are now 21 settlements on the West Bank, with 49 new ones planned. They have gone ahead with 6 of them since Sadat's visit.

Q—If Assad had, in effect, agreed to what Sadat told the Knesset, why the anguished cries of treason from Damascus?

A—There may have been some ill-thought-through overreaction in the area based on the suspicion that Egypt may in the end go it alone. But apart from that it was not easy to see Sadat in Arab Jerusalem while it is still under Israeli occupation. The whole concept of the visit was unique in history and don't forget that Egypt had played a leading role in all the tragic events connected with the Palestinians. However, what is now most important is to re-establish cohesion among the confrontation states. If this proves impossible, then you will see the full extent of the damage to the very concept of a united Arab nation.

Frankly, we are also a little tired of others deciding our fate without consulting us. This happened in June, 1967, when our army was under Egyptian Arab command. We practically committed military suicide because of our up-bringing and deep belief in Arab oneness. We must avoid this in the future or run the risk of seeing Israel's occupation become a permanent one. So I will continue to deploy our efforts to restore a common front in the negotiated search for an overall settlement.

Q—Syria has changed its views perceptively since its original violent reaction to Sadat's initiative. Do you get the feeling that Assad is now beginning to lean toward the Cairo conference?

A—I cannot speak for Assad but I think that logic will dictate a closing of ranks. If we can achieve this, the venue is not important.

Q—Sadat appears to be trying to displace the PLO as the Palestinians' sole representative. Both the United States and Egypt, and Israel, want Jordan to resume its mandate to negotiate Israel's withdrawal from the West Bank. Is this now practical?

A—That is not a decision that can be made by one or two countries, however powerful. Unless the knot of the Rabat summit decisions (in 1974) is untied, and Arabs and Palestinians in particular do so, Jordan is not prepared to do anything on their behalf. As for Israel's alleged desire to negotiate with Jordan instead of the Palestinians themselves, I would like to remind you that when we did have the mandate prior to 1948, Israel refused to deal with us in a satisfactory manner. We were ready for a disengagement agreement on our

front in the summer of 1974, similar to the Sinai and Golan accords. But Israel refused to move in this direction. The Israeli leaders apparently persuaded Henry Kissinger to go back to Egypt to negotiate Sinai 2. Mr. Kissinger has conceded to me that Jordan's exclusion was a mistake. The PLO was given the mandate a few weeks later and Israel began saying that it would only negotiate with Jordan. That should tell you something.

Q—But if Israel is willing to return the West Bank to Jordan, wouldn't it then be incumbent upon you to resume the mandate, regardless of whatever knots are still tied?

A—With the prospect of total peace, which would have to mean the complete recovery of the territories conquered in 1967, including sovereignty over Arab Jerusalem, Jordan would find it impossible to refuse the liberation of Arab land. But we would have to stipulate that only the Palestinians themselves could decide their future. They would have to be able to exercise self-determination after their liberation under conditions of total freedom from any form of pressure, including Jordanian pressures.

Q—What does this mean in practical terms?

A—They could go it alone or, more likely, may choose confederation with east Jordan. But these are options and the decision must rest with the Palestinian people.

Q—In a genuinely free election, without any outside threats or pressures, how many votes do you think the PLO would get?

A—Without Israeli occupation and without any direct or overwhelming majority would more than likely vote for a large degree of autonomy coupled with strong confederal links with Jordan.

After all, their ties with their relatives and brethren here are too strong and basic and PLO in any event stands for the Palestinian Liberation Organization.

So surely once liberation is accomplished and rights recovered such an organization would have to have a reason to exist. It will then have lost its raison d'être.

Q—You told me last July that you felt the West and East Banks are inseparable despite the Rabat summit decisions. West Bankers and Palestinians, you added, have to be consulted. How can Israel evacuate the West Bank without knowing what will happen there? And what about normal diplomatic relations with Israel?

A—In the first place Israel must relinquish what it occupied by force. But far more important for the foreseeable future are more practical and down to earth matters before normal diplomatic relations can be established—such as the West Bank's links with Gaza, dual sovereignty over an open Jerusalem, the city and symbol of peace. The division of water resources, resettlement of people, regional development, air corridors, and with peace the end of embargoes, all matters that bring with them peace in a new era of immediate fruitful cooperation on the broadest scale.

Q—How can one settle the problem of Jerusalem in this context?

A—As an open city of peace, with Arab East Jerusalem and Israeli West Jerusalem, it is perfectly normal that Arabs should manage their own municipal affairs, just as the Israelis want to manage theirs. But in the con-

text of peace, Jerusalem at long last could become the true home of all believers in God.

Q—Syria says Sadat has split the Arab world, which may be true, and that the whole area is on the verge of another explosion which I can't see. What's your own assessment?

A—If the rift is not healed recent developments deal a major setback to peace in the area. There will be convulsions and upheavals, a series of explosions whose cumulative impact could prove just as serious as another Arab-Israeli war to all—both to the area and to world peace.

Q—How close is your relationship with Syria? There is much talk of a joint military command between Jordan and Syria.

A—There is no such thing but attempts are under way to try to standardize organization and military doctrine. No joint command could function adequately without such long-range planning being accomplished, however. In other areas, the two countries have indeed drawn closer, coordinating and harmonizing school syllabuses, customs procedures, economic development, sharing water resources, connecting the power grid systems and many other areas.

Tito, Ceausescu Hold Conference, Ask Europe Talk

BELGRADE, Dec. 4 (Reuters).

Yugoslavia and Romania today suggested a pan-European conference to consider broader economic and cultural collaboration between East and West.

The proposal, bringing together ideas put forward at the Belgrade review of the Helsinki conference on European security, was contained in a 2,500-word communiqué issued after talks in Romania between Yugoslav President Tito and Romanian leader Nicolae Ceausescu.

In the communiqué, the two leaders expressed the hope that the 35 nations attending the Belgrade discussions would consider organizing an "all-European conference" to plan economic cooperation, an exchange on scientific and technological research, and cultural and educational collaboration.

Hassan Delays His Trip to U.S.

WASHINGTON, Dec. 4 (Reuters).

King Hassan of Morocco has postponed his visit to Washington this week because of developments in the Middle East. The White House announced yesterday.

Moroccan Premier Ahmed Ouanouia delivered a personal message from the King to President Carter during a one-hour meeting at the White House yesterday.

King Hassan was to visit Washington on Wednesday or Thursday for talks with Carter and top administration officials.

Marijuana Haul in Rome

ROME, Dec. 4 (Reuters).

Police arrested a 35-year-old American, Leonard Smith, at Rome Fiumicino Airport yesterday. They said they had found 30 kilograms of marijuana hidden in his luggage.

One good Scotch...



White Horse
Fine Old Scotch Whisky.



NINA RICCI
SALE DAYS
Wednesday Dec. 7
Collection Models
Boutique - Accessories
Furs and Hats
from 9:30 a.m. to 10 p.m.
and from 2:30 p.m. to 5:30 p.m.
Thursday Dec. 8
FABRICS
from 10:30 a.m. to 11 p.m.
and from 2:30 p.m. to 5:30 p.m.
20, rue des Capucines

The imperial couple then drove to a main square before walking on foot amid platoons of security forces to the imperial palace. Among foreign personalities present were Mauritius Prime Minister Sir Seewoosagur Ramgoolam, Cameroonian Premier Paul Eya, the wife of Rwandan President Moktar Ould Daddah, and Orlando Quilès, the papal nuncio in Bangui and special representative of Pope Paul. The Pope had refused an invitation to head Emperor Bokassa's coronation as his predecessor, Pius VII, had landed it to Napoleon.



Logan De Luxe
Scotch Whisky.

Russians Said to Woo Jews in U.S. on Trade

By Robert C. Toth

WASHINGTON, Dec. 4.—In the conversations with U.S. leaders, Soviet Embassy officials have pointed to a recent rise in Soviet Jewish emigration in an attempt to win support for granting U.S. concessions to the Soviet Union.

"We are sending you signals," Ambassador Anatoliy Anisimov reportedly told a top Jewish leader last month. "We will do something in return."

Soviet authorities appear to be nudging the Carter administration to support the so-called Jackson Amendment without support from the Jewish community. The amendment gives freer Jewish emigration from the Soviet Union in return for trade or credit concessions to the United States.

Jewish leaders are not yet ready to accept the emigration as a long-range trend, but they suspect it was an attempt to limit criticism of Moscow at the current review meeting on the Helsinki accords on Euro-security and cooperation.

Emigration continues to be a sensitive issue for the Soviet Union, and various conditions are being imposed on Jews who want to leave and Jewish prisoners of conscience. At a conference on Soviet Jewry last month, the Soviet Union was said to be prepared to "eliminate existing constraints" on Jews leaving the Soviet Union.

Officials believe that the Soviet Union is primarily interested in "most-favored-nation" status, under which goods and services would be traded on an equal basis with other countries. The Soviet Union is mainly interested in obtaining long-term financial credits for machinery and instruments to expand natural resources.

Steps are being taken to restrict Jewish emigration to the Jackson Amendment. Under its provisions, the Soviet Union must liberalize its emigration regulations. Congress can grant most-favored-nation status and credit terms.

Sen. Howard M. Baker, after whom the amendment was named, said in a speech last week that he expected at least 100,000 Jews to leave the Soviet Union each year before Congress approves the concessions.

The United States under the Trade Act. It is a 1973 trade and economic agreement, which would restrict trade significantly, grounds that the Jackson Amendment attempted to restrict Soviet internal affairs.

Among the stumbling blocks to the U.S. restriction, according to both administration and Jewish officials, is the issue of Anatoliy Shcharansky, a computer engineer who was in prison since March 15 for supplying intelligence information to the United States.

President Carter has said that Mr. Shcharansky never helped the CIA. Mr. Carter has also used several meetings with top Soviet visitors, including Foreign Minister Andrei Gromyko, to emphasize the likely damage to Soviet-U.S. relations if Moscow sentences Mr. Shcharansky to a long jail term as a U.S. spy.

Soviet propaganda suggests that the KGB intends to try Mr. Shcharansky for treason. But a Soviet Embassy official here was recently quoted in a newspaper as forecasting a speedy and quiet trial of the dissident, with a minimum sentence on the lesser of two charges—specifically, two to five years for anti-Soviet propaganda.

The Soviet official also said that Mr. Shcharansky might be expelled from the country for health reasons or as a token gesture before a summit visit here by Soviet President Leonid Brezhnev. If a strategic arms limitation agreement is signed with Moscow next spring, a Brezhnev visit is expected to follow within a month or so.

White House and State Department officials acknowledged that Mr. Shcharansky has become a highly symbolic figure in Soviet-U.S. relations. An official went so far as to predict that Congress, not at all anxious to reverse itself on the trade-emigration issue, would not modify the trade restrictions as long as Mr. Shcharansky remains in a Soviet jail. Even ratification of a SALT agreement would be endangered without Mr. Shcharansky's release, he said.

Jewish emigration dropped off drastically from a high point of 35,000 in 1973 to 13,000 in 1976 and 14,000 last year. There was no improvement during the first half of this year, but since July the level has been as much as 60 per cent higher than last year's monthly rates, averaging 45 per cent higher during the last five months.

Los Angeles Times.

Ouster by Russia, Dissent Case Tied

LONDON, Dec. 4 (Reuters).—A Soviet lawyer who arrived here today said she had been expelled from the Soviet Union for trying to defend jailed dissident Anatoliy Shcharansky.

The lawyer, Dina Kaminskaya, 56, said at London Heathrow Airport that the Soviet authorities had asked her to leave the country after Mr. Shcharansky's mother asked her to defend him last June.

"Within four days I was summoned before the authorities and I was told that I was not wanted here," she said. "The reason I was being asked to leave," she said, "was that Mr. Shcharansky is reported to be facing a treason charge. Mrs. Kaminskaya arrived in the West 12 days ago."

Shale Deposits Seen Meeting 5% of U.S. Gas Needs

By J.P. Smith

WASHINGTON, Dec. 4 (WP).—A geological study has found that shale gas deposits in the Eastern states could meet 5 per cent of current U.S. gas needs in the next 20 years, it says.

The study also concludes that gas from Devonian shale produced using existing technology is not unlike other large sources.

As brown shale, the shale in 13 Eastern states could produce up to 1 trillion cubic feet of gas a year, or 5 per cent of current U.S. gas needs in the next 20 years, it says.

The study also concludes that gas from Devonian shale produced using existing technology is not unlike other large sources.

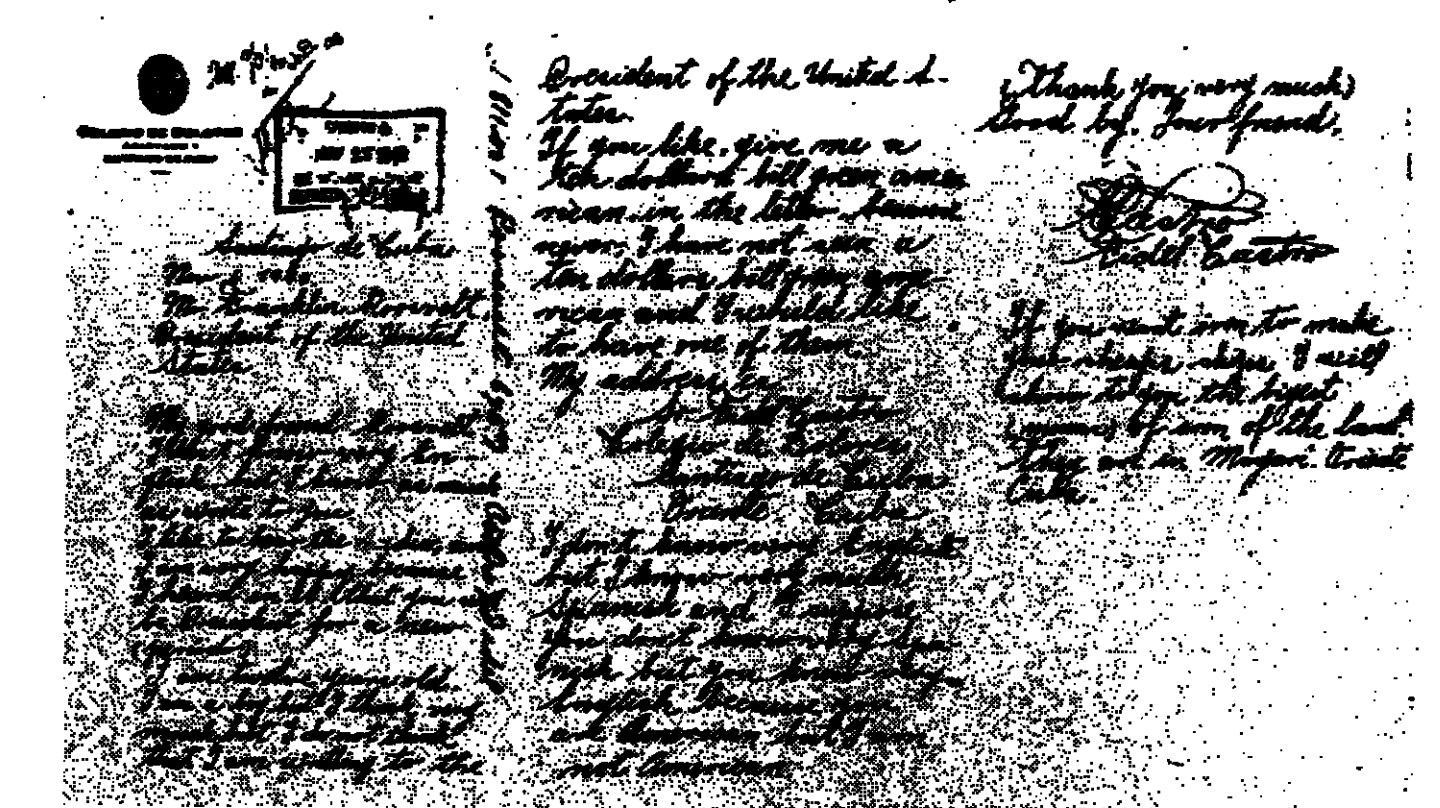
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French A-Test Reported

AUCKLAND, New Zealand, Dec. 4 (AP).—France exploded its second underground nuclear device in a month on Nov. 25 in the South Pacific, New Zealand government officials reported. The blast was estimated at a force of 100 kilotons.



This is the letter written by a Fidel Castro to President Franklin D. Roosevelt in November, 1940, asking for \$10.

Letter to Roosevelt Signed 'Fidel Castro' Is Discovered

Message Got a Reply but No 'Green American'

WASHINGTON, Dec. 4 (AP).—A letter written by a Fidel Castro to President Franklin D. Roosevelt in November, 1940, asking for a \$10 bill and saying he knew of rich iron deposits in Cuba, has recently been discovered.

Specialists at the National Archives and Records Service are convinced that the writer, then a schoolboy, is the man who is now President of Cuba.

The handwriting and the signature are similar to relatively recent examples of Mr. Castro's handwriting. He was a student at the Roman Catholic school from which the letter was sent, and the age corresponds fairly closely.

Mr. Castro grew up in the area where the letter said rich iron mines were to be found.

Written on a lined schoolboy's tablet and containing some misspellings, the letter to "My good friend Roosevelt" expresses happiness that Roosevelt had just been re-elected to a third term.

"I am 12 years old. I am a boy but I think very much but I do not think that I am writing to the President of the United States."

"If you like, give me a ten dollar bill green American, in the letter, I have said that I know of rich iron deposits in Cuba, has recently been discovered."

Department documents being examined by the Archives' Records Classification Division by Bryan Vanoveringen.

"I feel that this letter was indeed written by 'Fidel Castro, Cuban head of state,' he told a reporter.

The writer did not get the \$10 he asked for. The letter was sent to the U.S. ambassador for acknowledgment. Young Castro got this somewhat unresponsive reply:

"Dear Fidel: The President has directed the embassy to acknowledge, with an expression of appreciation, your letter of Nov. 6, 1940, written on the occasion of his re-election."

The letter was written from Colegio de Dolores. One biography says that Mr. Castro "was transferred by his parents to the Colegio de Dolores, operated by the Jesuits, to complete his grade schooling." Researchers have not been able to find the dates.

"As Castro is quite a common name in Cuba, it is possible that there were other students named Fidel in attendance at that time," Mr. Vanoveringen says in a memo. Mr. Castro was born in Biran, a district of Mayari.

The probability that two students named Fidel Castro, both from Mayari, attended the Colegio de Dolores at the same time does exist but it seems slight. Perhaps only Fidel Castro himself will be able to make the final determination."

Carter Tax Package Includes Individual Cuts, Crackdowns

By Edward Cowan

WASHINGTON, Dec. 4 (NYT).—The Carter administration is assembling a package of proposals that includes tax cuts of up to about \$300 for individuals and a crackdown on deductions for business meals and dues for membership in clubs, according to administration sources.

Although President Carter has dropped several of the more far-reaching and controversial tax reform ideas he tentatively embraced in September, he is said to be likely to stick to his earlier plan to ask Congress to disallow 50 per cent of the cost of business meals and to bar deductions for club dues altogether.

Under "active consideration," according to administration sources, is a tightening of the exemption for corporate profits that are earned and reinvested abroad. Big companies are certain to fight such a change with all the lobbying resources they can muster.

More far-reaching reform ideas, such as ending preferential treatment for capital gains, and easing the double taxation of corporate dividends, could be revived in a second round of tax reductions that the Carter administration is now thinking about for 1980.

"They tell me that Congress likes to cut taxes in an election year," a senior administration tax planner said with a sigh.

Lobbying is under way by the hotel and restaurant industries against any change in deductions for business meals. But Mr. Carter's advisers believe that he must, in the words of a White House aide, present "substantial and tough reforms," even in a curtailed list. The President has repeatedly criticized deductions for business meals, especially meals in fashionable restaurants, as benefiting executives at the expense of rank-and-file workers who pay for their own lunches.

Such tightening up would presumably irritate business people, but the administration is hopeful that they will be won over by two proposals for permanent tax relief for business—an across-the-board cut in the corporate tax rate and a broadening of the eligibility for the investment tax credit.

Tax relief for individuals is expected, as before, to be concentrated in lower and lower-middle-income brackets. The most likely proposal, officials said, is for cuts that would be worth about \$300 a year for a family of four in the \$15,000-to-\$20,000 bracket. This hypothetical family now pays roughly \$1,700 a year in federal income taxes.

Taxpayers in higher and lower brackets would get smaller cuts, but no one, except possibly a few people who earn more than \$100,000, would suffer a tax increase, officials said.

China Cautions Its Lawmen Against Excess in Executions

By Jay Mathews

HONG KONG, Dec. 4 (WP).—In the wake of reports of widespread executions in China, Peking has published a lengthy expose of police spying and torture and warned law-enforcement officials against overuse of capital punishment.

The 4,500-word report by China's Public Security Ministry was broadcast by the Peking radio and monitored here. It describes cases during the last 10 years of forced confessions and torture of disgraced Communist party members. It forbids any recurrence of such practices while indicating, by repeated references, that they may still be in use.

"Discretion should be exercised in arresting people, and especially in executing people," said the broadcast of the article appearing in Monday's issue of the official newspaper, the People's Daily.

Report's Focus

In what might reflect unusual Chinese sensitivity to Western reports of widespread executions in the last few months, the Chinese news agency's brief English-language summary of the report was devoted largely to the sections on capital punishment.

"In cases where it is marginally to execute, under no circumstances should there be an execution and to act otherwise would be a mistake," the report quotes the late Chairman Mao Tse-tung as saying.

In cases of capital crimes that have not drawn much public ire, convicts should be granted a two-year reprieve, it said. "Following this policy of prudence, we can avoid mistakes and win popular sympathy," Mao was quoted as saying.

Scattered wall-poster announcements of executions read by foreign travelers in China indicate

Byrd Sees Senate Voting Canal Pact

WASHINGTON, Dec. 4 (NYT).—Sen. Robert Byrd, the majority leader, said yesterday he expects the Senate to approve the Panama Canal treaties.

He said the treaties would be the first major business before the Senate next year and would be taken up in early February. He anticipated a debate to last three to four weeks.

Sen. Byrd, who co-sponsored a 1975 Senate resolution opposing any ceding of U.S. "sovereignty" over the Panama Canal Zone, still would not commit himself on how he would vote.

But the West Virginia Democrat said that, based on the treaties and his own talks with the Panamanian leader, Brig. Gen. Omar Torrijos Herrera, "I don't think there's any question that we have a right to defend the canal" under the proposed pacts.

Clash at Rally Kills 1, Injures 4 in Turkey

URFA, Turkey, Dec. 4 (Reuters).—A man was fatally shot and four persons were seriously wounded when violence flared at a political rally in this southwestern town yesterday, authorities said.

Rival groups clashed as Bulent Ecevit, the leader of Turkey's main opposition Republican People's party, addressed the crowd. Mr. Ecevit was unhurt.

Low Levels of Nitrogen Dioxide Key Ingredient of Smog Kills Lung Cells in California Study

By Scott Moore

IRVINE, Calif., Dec. 4.—A team of scientists has discovered that lung cells taken from humans and animals cannot survive exposure to the levels of nitrogen dioxide found in Los Angeles air on smoggy days.

The scientists said that their research is the first time that even a low level of nitrogen dioxide has been proved to be destructive to living cells.

Nitrogen dioxide is one of the key ingredients of smog. Nitric oxide emitted from automobiles is oxidized in the atmosphere to create nitrogen dioxide.

The scientists said they believe that the destruction of large numbers of cells can lead to emphysema and may be a link to cancer. Further studies began recently to determine whether exposure to both nitrogen dioxide and ozone—two key ingredients of smog—may contribute to cancer.

The researchers said they invented a new method to study cells that allows them for the first time to simulate the way harmful pollutants affect body cells.

Dr. Ronald Rasmussen, a member of the team at the University of California at Irvine, said that the research, in addition to its health implications, "provides more argument for environmentalists who wish to further restrict the emission of pollutants into the atmosphere."

Los Angeles Times.

Chicago Airport Halts Shipments Of Nuclear Fuel

CHICAGO, Dec. 4 (AP).—All shipments of nuclear fuel through O'Hare International Airport have been stopped until the potential dangers can be reassessed, Mayor Michael Bilandic has announced.

The mayor met with officials of the federal Nuclear Regulatory Commission Friday after talking to President Carter Thursday about the movement of uranium-235 through O'Hare.

Most of the shipments of enriched, weapons-grade uranium were being sent overseas, although a few have been imported, a commission spokesman said. He said that of 24 shipments flown into or out of the United States since mid-1975, 22 have passed through O'Hare.

Illinois Attorney General William Scott had asked Mr. Bilandic earlier in the week to halt the shipments, contending that the planes could be hijacked by terrorists. He suggested that the fuel be routed through military airports instead of O'Hare.

The commission spokesman said the shipments are protected by federally licensed guards.

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Lonely Dozen Live in 2 Worlds of Their Own

Americans Wintering in Kiev Bemoan Barriers, Mistrust

By Craig R. Whitney

KIEV, U.S.S.R. (NYT).—Now that the tourists have fled the cold winter rains, there are only about a dozen Americans living in this capital of the Soviet Ukraine, half of them members of a future U.S. consulate and half of them students.

The diplomats live in isolation from the Soviet world around them, while the students live like their Soviet counterparts. Neither group has much choice. Both varieties of experience owe much to the process of détente, yet barriers of bureaucracy, mistrust and misunderstanding remain.

Jeffrey White, a diplomat, arrived more than a year ago but the opening of the consulate general, like the flat Ukrainian horizon, seems to him to keep receding. After 13 months, the Ukrainian authorities agreed on a building, not far from the ancient Cathedral of St. Sophia on a hill above the Dnieper River. But Mr. White said, "They have already significantly renovated the building they bought on East 91st Street, while we don't even have a contract."

Progress in New York

"The Soviets are being allowed to open a consulate in New York City in return for ours in Kiev," Mr. White said. "They have already significantly renovated the building they bought on East 91st Street, while we don't even have a contract."

Meanwhile, the advance party is paying \$130 a day for an office suite and two rooms in the Moskva Hotel. And as another member, Robert Mills, pointed out, "We have to turn the keys to the hotel every night, just like any other guests."

After having spent six months in hotel rooms—some somewhat cooking Thanksgiving dinner for 14 on hotplates—three of the diplomats and their wives moved to new apartments on the other side of the Dnieper. The apartments are warm, spacious, twice as large as the Soviet standard, and were decorated, after a taste with the authorities by a British contractor for the U.S. Embassy.

The floor the diplomats live on in a high-rise apartment building is for them alone. They do their food shopping by written order through a Ukrainian diplomatic service agency.

Moscow Expeditions

"We've seen eggs as high as 25 cents apiece," Mrs. Eugene Mills said, "and lemons at \$2 each."

Argentine Bid For Shipyard Is Reported

BONN, Dec. 4 (UPI).—In addition to the purchase of a submarine from West Germany, Argentina will acquire a complete shipyard to assemble at least three more submarines from sections made in Germany, the news agency DPA reported last week.

The office of State Secretary Klaus Bölling, spokesman for Chancellor Helmut Schmidt, said it could confirm only the announcement that, at its regular Wednesday meeting, the Cabinet had agreed that the government would guarantee an export credit of 339 million marks (\$153 million) in connection with the sale of a submarine to Argentina by the Thyssen shipyard in Essen.

DPA said it had learned from government circles that Mr. Schmidt had cut off a Cabinet discussion of the political and security aspects of the sale by saying the Federal Security Council already had approved the sale to Argentina.

Mr. Bölling said the government had not departed from its 1971 decision not to export weapons outside the NATO area.

Informed sources said that Mr. Schmidt told the Cabinet he approved the sale of a 1,700-ton submarine to Argentina because undersea boats cannot be used in domestic conflicts, but that he continued to oppose the sale of tanks or machine guns to such states.

Nevertheless, the Cabinet approved the credit guarantee only reluctantly, mainly in order to assure jobs in the Essen area, political sources said.

China Aide in Cambodia

HONG KONG, Dec. 4 (UPI).—Chinese Vice-Premier Chen Yun-kuei arrived yesterday in Phnom-Penh for a visit and was welcomed by Ieng Sary, Cambodian vice-premier in charge of foreign affairs, and Yon Yat, vice-premier in charge of the economy, the Chinese news agency reported today.

in the winter. We go up to Moscow by train about once a month and come back looking like gypsies with freezer cases of imported foods and beer."

By late 1979 or early 1980, according to the acting chief of the advance party, Ralph Porter 3d of Summit, N.J., the consulate hopes to open to provide advice and protection for the 40,000 U.S. tourists—many of Ukrainian descent—who pass through here every year.

Alexander (Sasha) Kosik, a 35-year-old dance student from Passaic, N.J., also lives in Kiev but almost in a different world.

He speaks Ukrainian and is married to a Soviet citizen. His wife, Olga, a music student at the Institute of Culture, speaks little English. They live in a room of the Ukrainian Dance Ensemble's studio, on their student stipends. His is about \$120 a month.

Olga Kosik says she would like to go to the United States with her husband next year, after both have finished their studies, but does not wish to lose her Soviet citizenship.

"I'll go back with Sasha for a year or two and see how I like it," they have not applied for permission for her to leave the

country, afraid that the authorities might expel her from the institute if she applies before she completes her studies. Her parents, who lived in a suburb of Kiev, do not help support them.

Mr. Kosik says he stays out of politics, concentrating on learning as much as he can about the Ukrainian Dance Ensemble's adaptations of traditional folk dances. He is the first American accepted at the studio.

The only course he skips sometimes is the required one on party history. He hopes to teach after he goes home next year.

The annual disappearance of

vegetables from the market at this time of year is a constant subject of conversation among other resident Americans, but Mrs. Kosik shrugs and says, "You just cook more potatoes and cabbage."

Food at the student cafeteria gave Mr. Kosik skin blemishes but he says he feels healthy now, warding off colds with his wife's herbal remedies—raw garlic for the flu, eucalyptus leaves for an upset stomach.

"Things get tough for me around Dec. 25," said Mr. Kosik, a tall, broad-shouldered young man with a moustache. "Here it's just a working day like any other."

10,000 Vietnam 'Boat People' May Get Refugee U.S. Visas

By Bernard Gwertzman

WASHINGTON, Dec. 4 (NYT).—The State Department, in an effort to ease the plight of the growing number of Indochinese refugees, has decided to seek the emergency admission of 10,000 Vietnamese "boat people"—refugees stranded throughout Asia on the small vessels they used to escape from Vietnam, administration officials said yesterday.

Officials said that if, as ex-

Polish Catholics Assail State for Sexual Licence

WARSAW, Dec. 4 (Reuters).—The Polish Roman Catholic Church today accused the state authorities of encouraging sexual immorality in an attempt to undermine the influence of religion.

A pastoral letter read at all masses in this predominantly Catholic country denounced declining moral standards, sexual license in the mass media, film and theater, and what it called "brutal sexual education" of the young.

It called on parents, teachers, cultural figures and young people themselves to resist what it said was "a secret plan for the moral disintegration of the nation."

Unlike most of the other Communist countries, Poland is relatively permissive in sexual matters. Many films contain scenes of nudity and sex, while several illustrated magazines regularly feature pinup photos of nude women.

Today's letter, signed by the Polish bishop and cardinals, declared that "the demoralization of society, especially the young generation, is favored by an atheist, godless action that has been going on for years... Why does the state censorship, which so carefully checks texts of religious content, agree so easily to the printing of morally harmful booklets and periodicals?"

pected, the formal "parole au

Ilya N. Vekua, 70, Mathematician, Dies in Russia

MOSCOW, Dec. 4 (AP).—Ilya N. Vekua, 70, one of the Soviet Union's leading mathematicians and formerly a top education official, died Friday, the government newspaper Izvestia reported in yesterday's editions.

Mr. Vekua was a member of the Presidium of the Soviet Academy of Sciences and head of the Soviet Georgian Science Academy. He specialized in mathematical aspects of the collection and bending of various materials.

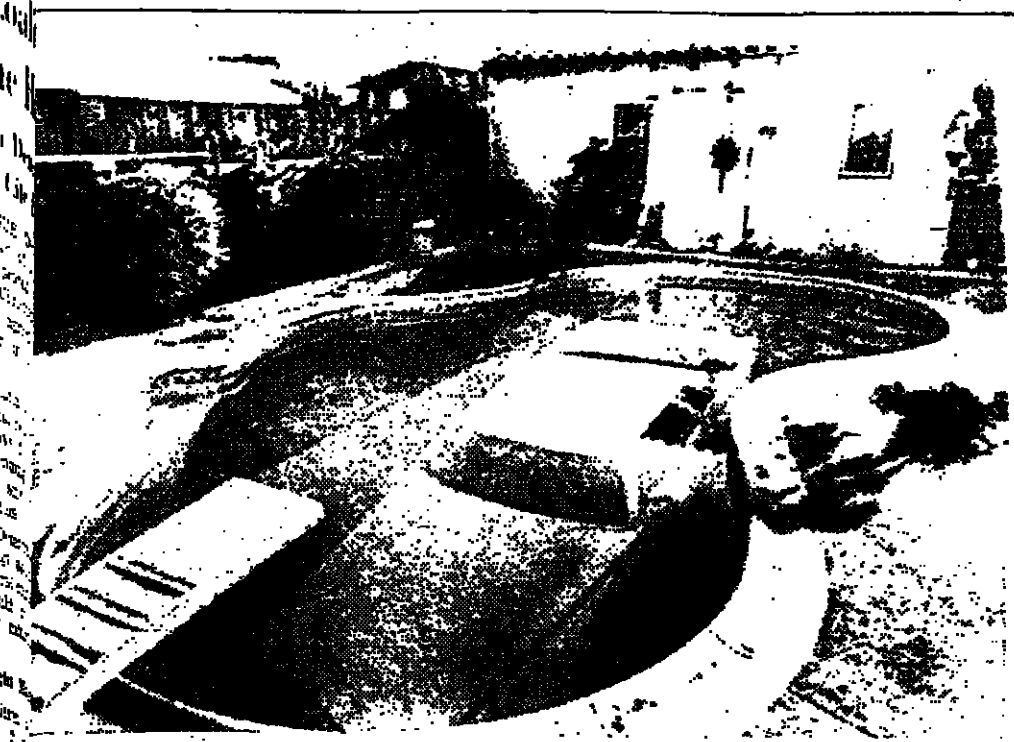
He participated in the organization of Novosibirsk University in Siberia, served for five years as its rector and was a member of the Central Committee of the Georgian Communist party.

Ferdinando Guillaume

VIAREGGIO, Italy, Dec. 4 (AP).—Ferdinando Guillaume, 90, an Italian comedian of silent movies better known by the nickname of Polidor, died yesterday in a clinic in this central Italian town after a long illness. Polidor starred in scores of short silent movies during the 1911-21 period and later was called back to the movies by director Federico Fellini who gave him short roles in some of his films.

Jack Beresford

LONDON, DEC. 4 (AP).—Jack Beresford, 70, England's medal-winning racing swimmer, died yesterday at his home in Shipplate on the Thames River, 40 miles west of London. Mr. Beresford competed in five Olympics between 1920 and 1936, winning three gold and two silver medals.



Associated Press

POOL—Yes, it's a Cadillac (just three months old) and yes, it's at the bottom of Don Ayala's swimming pool in Los Angeles. How did it get there? Mrs. Ayala was driving the car into the garage when the accelerator stuck. The car was towed through the back wall of the garage and into the pool. She and her child escaped unharmed, but the car will need plenty of work. And the pool is unusable.

Military Forces Seriously Handicapped

Indonesia Anxious to Replace Decrepit Arms

George McArthur

ARTIA—Two decades ago, President Sukarno was with Moscow, Indonesia's modern air force of 200 navy with missile patrol 12 submarines, the only one owned by an Asian nation, and a modern army bristling with Soviet and Czechoslovak artillery.

Today the world's fifth most powerful nation, which also is one of the world's most populous, is not even a class military power. It has 350,000 men who, on paper, are "under arms." But these arms include Japanese left over from World War II.

Of the three Soviet submarines still in service, one can submerge and "it's a brave crew to take her

heavy cruiser—its fire control other sophisticated systems—has been fouled by an untrained Indonesian crew—has been scrapped. The fighters and Ilyushin bombers on isolated military bases, beyond service or sale. Some patrol boats are old while others rot in the water without missiles in barnacled hulls.

Parts for these Soviet ships in operation have been broken down last year, the National Day parade, pushed past the review by a U.S. armored

Exhausted Supplies

are running out of military. "A Western diplomat said, "The operations on have pushed them to the

low operations—to supermachines who took up arms Portugal abandoned the Indonesians have 38,000 men to make Indonesia's 27th The fighting has been

going on sporadically for two years. Although the guerrillas now number only about 600 men, the fight against them has virtually exhausted old supplies of iron Curia shells and bullets. The Indonesians generally have avoided using U.S. equipment to spare Washington's sensibilities, but a lot of U.S. equipment nevertheless is being used.

Not surprisingly, the Indonesians are now embarked on a quiet rearmament program, a Western attaché said. "They are not rearming; they are replacing stuff that is falling apart." The cost may amount to \$400 million over the next few years."

Arms salesmen from France, Britain, the Netherlands, Italy, Spain, Switzerland, Belgium, West Germany and other places discreetly woo the government—their way paved by the various embassies. The United States takes little part in the game.

"We can't even get an introduction to anyone from the embassy," a U.S. arms representative complained. "Our policy is not to push anything," an embassy official admitted. "If the Indonesians approach us, we consider it."

This is part of the Carter administration's policy of slowing down international armaments sales. In the view of some Americans in Jakarta, it makes little sense for Indonesia.

A man involved in the business said, "It is a classic case of 'if we won't sell it to them somebody else sure as hell will.' What they are asking for is basic stuff and they are going to buy it somewhere, that is sure."

The Indonesians already have contracted for Belgian light machine guns, two small submarines from West Germany, four patrol boats from South Korea and have signed a letter of intent to obtain French helicopters, assembled at a plant

to be constructed in Indonesia with French help.

Much of this displaces potential U.S. sales, although American sources say the ruling Indonesian generals incline toward U.S. hardware because it has proved its quality and servicing is reliable.

Obsolete Sabre Jets

The United States began a relatively modest military aid program to Indonesia in the years following the attempted Communist coup in 1965. That attempt failed in a national "bloodbath" that ended the career of President Sukarno, who had tried to ride the Communist tiger. The United States provided small arms, armored cars, medical equipment, four World War II destroyer escorts that make up the "backbone" of the Indonesian Navy and a small force of obsolete Sabre jets. These Sabres, about a dozen of which are operational, provide the air defense for a nation of islands spread over four time zones.

In the present fiscal year, the United States is scheduled to give Indonesia \$18 million worth of military hardware in outright grants, and favorable credits for \$40 million in purchases. A further \$3 million will be given for training expenses, some in the United States. All of this needs congressional approval. The outright grants will be determined next year and the favorable credits are in doubt.

Meanwhile, informed sources say, the French are offering, in one package alone, \$200 million in credits. This is largely to push their latest Mirage jet as a replacement for the fast-disappearing Sabres.

U.S. sources feel that the Indonesians would prefer to buy a package of 16 F-5 jets. With spare parts and technical services, this would be an \$80-million package.

© Los Angeles Times.



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Bumpy
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James Reson

Carter Says Issues' Complexity Has Clouded His Image



President Carter at recent Washington press conference.

continued from Page 1

clear explosives. We have it to a successful conclusion. We have a peace treaty. We are trying to encourage regional stability, giving Bolivia access to the sea, Ecuador access to the Amazon River. We have a major international effort to restore our nation's leadership in a moral sense. The rights issue has been at the forefront of all every international leader's during this first year.

One year ago, there was a feeling that it was impossible to control the spread of nuclear weapons. I think there is hope this might be achieved. We have begun the process of holding down future arms sales by the U.S. and our allies.

We have reinforced our commitment to a stronger NATO. We have elevated consideration of international economic matters to the summit level, and we have restored the State Department to a major role in that field. I think the world has been a much better place than it was a year ago. I think it is fair to say you have spent more time on foreign policy than on domestic policy in this year. Would that be right, in your judgment?

A—I am not sure about that. I think I have a fairly well balanced commitment of my time to matters like government reorganization, economic stimulus, energy and welfare and tax reform on the one hand, and the international matters that I have already discussed. But I think we have seen some confirmation of what you have described during the campaign.

I think there is also a tendency for foreign policy developments to be reported more intensely and at greater length than domestic problems. It is much easier to talk or write about the generalities of foreign policy than to deal with the complex facts and figures of a new farm program, for example. But if you look at what has been done this year, a \$21-billion economic stimulus package containing substantial tax reductions, public works projects and public service jobs, a comprehensive welfare reform proposal, a national energy plan,

there have become apparent to many people for the first time. . . .

Although this opening up to the public produces an appearance of confusion, and I think sometimes some real confusion on the part of some analysts and commentators who haven't adjusted quite yet, in the long term I think it is good. I think it will enable us to speak with a stronger voice abroad because the American people have been a part of the making of American policy.

The OPEC [Organization of Petroleum Exporting Countries] nations, for example, are consulting with us on the consequences of oil price changes much more closely than I understand has historically been the case.

Q—I wonder if we misjudged you in the campaign. For example, for almost two generations your predecessors who sat in this office concentrated almost entirely on foreign policy, and one of the reasons it seemed to me you were elected was because you were perceived as a man who really had a sense of the need to deal with the neglect of our own nation. And yet I think it is fair to say you have spent more time on foreign policy than on domestic policy in this year. Would that be right, in your judgment?

A—I am not sure about that. I think I have a fairly well balanced commitment of my time to matters like government reorganization, economic stimulus, energy and welfare and tax reform on the one hand, and the international matters that I have already discussed. But I think we have seen some confirmation of what you have described during the campaign.

I think there is also a tendency for foreign policy developments to be reported more intensely and at greater length than domestic problems. It is much easier to talk or write about the generalities of foreign policy than to deal with the complex facts and figures of a new farm program, for example. But if you look at what has been done this year, a \$21-billion economic stimulus package containing substantial tax reductions, public works projects and public service jobs, a comprehensive welfare reform proposal, a national energy plan,

Harried Canadians Are Beginning to Display New Warmth Toward the U.S.

By Robert Trumbull

AWA (NTT)—A new warmth toward the United States has appeared in Canada, according to officials, analysts and academics in an international circles. The change is in striking contrast to the tensions that have characterized U.S.-Canadian relations since the 1960s, when a string of Canadian attitudes as he was to leave Ottawa two years ago.

Commentators have said the new Canadian posture is a return, at least in part, to the once-popular but

administration in Washington, exemplified by Mr. Trudeau's warm personal regard for President Carter. And third, they cite a waning of Canadian memories of the Watergate scandal and the U.S. involvement in Vietnam.

Other Issues

The slump in the Canadian economy and the recessionist movement in predominantly French-speaking Quebec, the latter threatening to destroy the territorial integrity of the 100-year-old Canadian federation, have had the effect of taking

most Canadians' minds off the nationalist preoccupations that had tended to dilute their usual cordiality toward their U.S. neighbors.

For one example, "nationalistic sniping at American academics teaching in Canada has disappeared," said a professor from New York, now on the faculty of the University of Toronto, in a telephone interview.

U.S. investment in Canada, long a prime target of the nationalists' denigrating "foreign domination" of industry, has become more welcome than ever since the steep downturn in the Canadian economy. It has even

Quebec Issue Year After Election: The Sense of Crisis Grows

By Henry Griger

TREAL (NYT)—The first year in office of a Quebec government dedicated to the sovereignty of this large, French-speaking province has changed the political landscape in Canada and divided experts as rarely before.

An unexpected electoral victory Parti Quebecois on Nov. 15 year threw the country into confusion from which it has yet recovered. English-speaking Canada tried to reassure by saying repeatedly that it had simply voted for a more honest government, but it had been voting for the liberal Liberal party, led by Prime Minister Elliott Trudeau, the consensus that it had entered into by the simple fact that a federal government elected by the people wished to pull out of the federation and in a new relationship with the rest of Canada. The sense of crisis deepened through the Parti Quebecois' continued various ways its basic of independence. What seemed unthinkable appeared to be possible and Canada had to ask themselves if a few years hence their would still exist.

Levesque, Canada's national leader, summed up the feeling: "On Nov. 15, 1976, I entered a new era. In that year, the unthinkable suddenly became normal and possible suddenly conceivable."

formance appeared to be the new government's most vulnerable point, but it was not until late in the year that it was able to produce a program to try to alleviate the situation. In the meantime, the political warfare between Ottawa and Quebec that began almost immediately after the election centered increasingly on the economy, each side blaming the other for Quebec's economic woes.

A Referendum

Indeed, the main thrust of the federalist campaign against the Parti Quebecois has been to persuade Quebecers that, if their cultural future is in no danger within the federal system, their economic future is in jeopardy. The Parti Quebecois, led by Premier Rene Levesque and other leaders, after saluting Quebec's act of courage and confidence in voting the Parti Quebecois into office, denounced the campaign as a "terrorist" one designed to play on deep-rooted complexes of inferiority and lack of confidence. But the very nature of what the Parti Quebecois is proposing recognizes, at least implicitly, that voters need reassurance before taking the final plunge to independence.

The party seeks Quebec's political sovereignty combined with an economic association with the rest of Canada, and voters will be asked to approve this goal in a referendum to be held in about 18 months. Words such as "separation," "separatism" and "separatism" have been banished from the official vocabulary because they imply economic isolation. Officials have begun to shy away even from the word "independence," since it also conveys the idea of an unconnected Quebec off on its own.

During the year, the government sought to fulfill the party's pledge of providing a good provincial government while keeping its fundamental political aims in sight. While the Parti Quebecois is, in the main, moderately leftist in social and economic doctrine,

with great eagerness, if not much success, economic advisers to the government are placing greater emphasis on expanding business with the United States, with which Canada already does two-thirds of its international trade. Robert Stanfield, a wealthy member of Parliament from Halifax and a former Progressive Conservative party leader in the House of Commons, urged in a recent speech to newspaper editors the formation of a kind of common market between Canada and the United States.

1950s Recalled

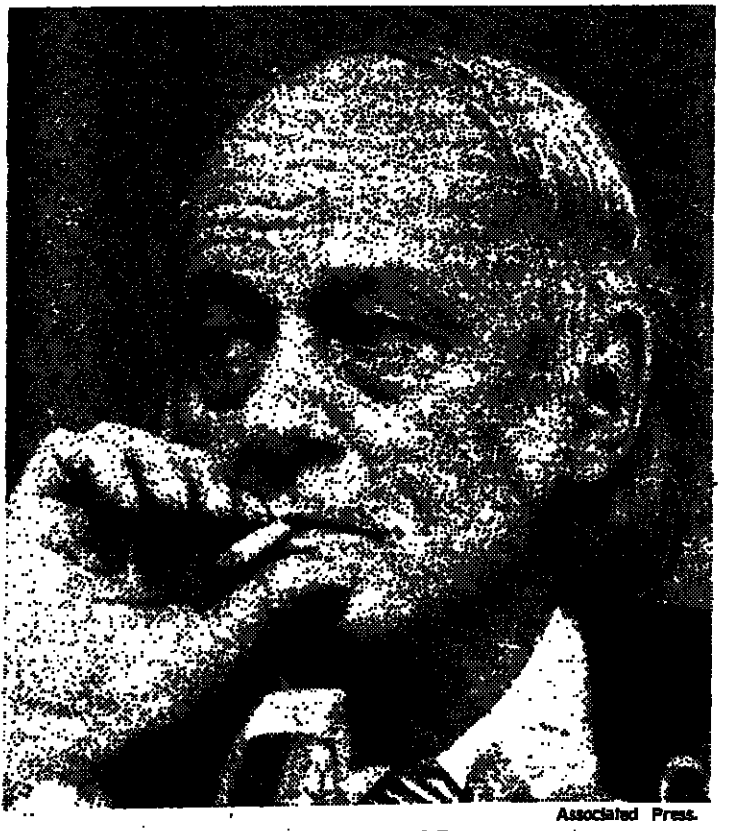
And Prof. Louis Balthazar of Laval University in Quebec City, in the current issue of the Foreign Office magazine *International Perspectives*, of which he is co-editor, wrote that: "For many people, Canada's dependence upon the United States is no longer such a great evil."

"If it were to mean a strong economic recovery, it would probably be welcomed," he continued. "Are we going to see a return to the fifties, when we submitted so willingly to American economic domination? It would be premature to think so, but we cannot exclude the possibility. Economic conditions here have led Canadians to adopt a less rigid attitude toward the United States."

Prof. Balthazar's opinion, shared by U.S. diplomats, among others, is that the sense of insecurity following the overwhelming victory of the separatist Parti Quebecois in the Quebec elections a year ago has caused many English-speaking Canadians to regard Americans as their allies in the fight to keep Canada together.

Such a feeling has been encouraged by the expression of sympathy conveyed to Mr. Trudeau by President Carter when the Prime Minister visited Washington in February, although the official position of the United States is to stand aside from the Canadian internal quarrel.

"The great fear that has been



Quebec Premier René Levesque

obsession and, no matter how the Parti Quebecois eventually fares in Quebec, its simple presence has already provoked such a sentiment of national dissatisfaction with things as they are that some changes in Canada's political structures seem inevitable. In a spate of radio and television programs, marking the first anniversary, there has been general recognition that the Nov. 15 election was "historic" in the sense that neither Quebec nor Canada would be the same again.

The dissatisfaction has been enhanced by continuing economic hard times. The rapid economic expansion of the 1960s and 1960s

that made Canadians somewhat complacent about their country has changed into a sense of danger by the highest unemployment rates since the Depression of the 1930s. The Canadian dollar dropped precipitously during the year and investments slowed to a trickle, particularly by foreigners, who were put off by a combination of high wage rates, low productivity and political uncertainty.

In Quebec, where the unemployment rate was more than 11 percent in October, these ills were magnified to a greater extent than elsewhere, except for the four chronically poor eastern provinces. Quebec's economic per-

formance appeared to be the new government's most vulnerable point, but it was not until late in the year that it was able to produce a program to try to alleviate the situation. In the meantime, the political warfare between Ottawa and Quebec that began almost immediately after the election centered increasingly on the economy, each side blaming the other for Quebec's economic woes.

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Blast Damages Indian A-Plant

NEW DELHI, Dec. 4 (Reuters).—An explosion last night at India's Baroda atomic heavy-water plant injured 20 persons and could delay domestic nuclear fuel production by more than a year, informed sources said today.

Atomic Energy Commission officials declined comment on speculation that last night's blast had been caused by saboteurs.

Dr. Homi Sethna, chairman of the AEC, said today he did not want to comment on speculation of sabotage in the Baroda explosion. He went to the blast scene tonight.

London, 18 November 1977

[illegible]

53.79	97.6	EEC	73.81
54.22.1n	94	EEC	73.82
54.85	92	EurIn	54.88.40
54.82	102.24	FinInd	54.79
54.81	101.15	JapnD	54.81
54.80	101.15	Japan	54.81
54.78.24	98.24	Meco	54.77
54.80	102.14	Meco	10.80
54.83	102.24	Meco	94.81
10.81	102.14	Meco	52.82
54.79	101.15	NipIT	73.82
54.77	100.94	NipIT	73.82
54.80	102.14	NipIT	73.82
54.84	102	NipIT	73.82
54.79.4	100.94	NipIT	73.82
34.971	97.4	Norwy	54.83
54.78	101.15	Norwy	54.83
54.77	99	Norwy	54.83
54.83	102.24	Norwy	54.81
54.85	101.14	Norwy	54.81
54.87	99	Norwy	73.82
54.83	100.15	Norwy	73.82
54.84	101.15	OECD	54.83
54.84	101.15	OECD	54.83
54.76	101	SoEup	54.83

NEW YORK, Dec. 4 (AP)—National Starch & Chemical said today it is holding preliminary discussions with representatives of Unilever, which expressed interest in National Starch.

By reading across this table of Friday's closing inter-bank foreign exchange rates, one can find the value of the major currencies in the national currencies of each of the following financial centers. These rates do not take into account bank service charges.

	\$	£	DM	FF	L. It.	Gldr.	SF cont.	Sterling
Amsterdam	2.5840	6.4328	108.165*	49.275	27.20y	—	6.9720*	111.90*
Brussels (c)	34.73	13.245	15.74125	1.7185	3.9065	14.56375	—	10.6265
Frankfurt	2.9085	4.0150	—	35.58	2.513x	92.55	6.280	103.20
London (c)	1.8200	—	4.0140	48.100	1596.75	4.4315	65.14	9.9335
Milan	876.76	1.597	397.82	181.25	—	297.87	—	238.40
Paris	4.8476	2.0525	219.580	—	5.5355	203.00*	12.9535	228.00*

The following are dollar values as given in London: Danish kron: Escudo: 40.615; Israeli £: 16.86; Peseta: 82.245; Schilling: 16.775; Rw. krans: Yen: 242.40; Norw. kroner: 5.3785; Pin. mark: 1.1650; Belgian financial franc: Hong Kong £: 4.6565; Singapore £: 2.3665, 1 Canadian \$: 0.92385 U.S. cent.

(c) Commercial franc. (*) Units of 100. (x) Units of 1,000. (y) Units of 100,000.

(2) Amounts needed to buy one pound.

..

has acquired through merger

LAZARD FRÈRES & Co.

December 5, 1977

هكذا من الأهل

To give you some hint of who we are, banking professionals in over 1,100 banks — both in the U.S. and throughout the world — have chosen us as a correspondent. We have over 300 offices in New York State and key people in 22 of the world's major financial centers.

We're the 12th largest bank in the U.S. with \$9.5 billion in deposits and total assets of \$11.1 billion. For years, we've been involved in foreign

exchange and foreign currency management. So, not only do we have the capabilities, we also have the knowledge to provide you with direct loans and to manage major international credits.

Maybe it's because of what we have to offer worldwide that more than half the companies on the "Fortune 500" list do business with us.

Now you know everything about us except our name. We're the Marine Midland Bank.

Current reported ranking based on total deposits, does not include funds as of December 31, 1991.

romarket

Demand Proves to Be Feeble For New Eurosterling Issues

By William Ellington

ON Dec. 4 (AP-DJ). — Eurosterling bond issues scheduled for offering last week are a fourth one was altered, with the result suggestion quickly routed and out to be feeble in demand.

It has been argued that investors should have a market for developing a market in sterling bonds when the domestic bond market has usually closed to British buyers for the past several years. The cause of the government's reluctance for hogging most of the market for long-term investments is not so matter what the cost.

The offering of £200-million, 10-year issue of Finance for International Development, 10 per cent, is expected to confirm the worst fears of the development of the market. Priced at 98.5 to 99.5 per cent at maturity, it started trading at 98.5 per cent progressively during the week of Dec. 27. At that level, the price was raised to 102.4 per cent.

But, the main function was for the Bank of England, which is expected by the Bank of England and London's clearing banks to provide medium and long-term funds to British corporations, which no longer have a domestic bond market in which to obtain funds.

Behind Eurosterling issues is the absence of a market for interest-paying foreign issues to be sold at a lower interest cost than a domestic issue.

Moreover, it has been widely

ly supposed that European investors would be eager to purchase high coupon bonds in a currency that might appreciate due to the benefits of North Sea oil production.

However, with three Eurosterling issues floated so far this year, evidence is mounting that demand has come from sophisticated banks and institutions that were hopeful of making a short-term profit, rather than permanent investors.

After the Finance for Industry issue performed so poorly in the aftermarket, the two other recent issues also dropped sharply, indicating that the bonds were held in loose hands.

For example, a £200-million, 12-year issue of the European Coal and Steel Community bearing 8.995 per cent fell 0.75 point to 98-98.75. This was the first Eurosterling issue to be floated this year, and evidently many institutions were willing to speculate in it, for it was reportedly more than 10 times oversubscribed.

A \$225-million, 7-year issue of Total Oil Marine Ltd. bearing 8.125 per cent fell a half point to 97.5-98.

With only one exception, however, the banks in London and on the Continent said that the real demand for Eurosterling issues was slight. A banker representing one of the major Swiss banks said: "Our head office reports no real retail demand for sterling issues. There is no appetite for the currency. People still think the pound is suspect."

On offer is a £10-million, 10-year issue of Pisons International Financing NV, with a

U.S. Commodities

CHICAGO, Dec. 4 (AP).—Most commodities futures prices sustained losses on the Chicago Board of Trade last week, with soybeans commanding the heaviest pressure, while prices on the Chicago Mercantile Exchange were generally steady.

Soybean prices collapsed Monday under export and commission house selling and spent the whole week trying to recover. Several weak rallies failed, including a half-hearted attempt Friday to ride a soybean-oil price surge. Beans were off as much as 34 cents for the week in the May contract and more than 20 cents in most other months.

Wheat slipped throughout the five-day period and closed from 8 to 10 cents lower for the week, unable even to participate in Friday's modest grain rally. Broken said there was little hard news to excite the wheat market and it succumbed to nervous speculative selling.

Corn struggled to overcome its poor showing early in the week, staging a strong comeback Friday when professionals purchased more than 10 million bushels and prices rose about 3 cents. But profit taking set in before the final bell and shaved gains to about 1 cent. That setback left corn with losses of 3 3/4 to 6 cents for the week, with the far months suffering the most.

Oats were steady to higher for the five-day period and ended the week with slight gains in three months on good speculative and commercial buying.

Soybean oil languished for the first four days before release Friday of a U. S. Census Bureau report listing oil stocks as being lower than expected. That news firmed up the entire soybean complex, but professional and local selling trigged before the close pared the advance.

It ended the week with a slight gain in the far October contract but the other months were lower.

At Friday's close on the CBOT, wheat was 1 3/4 cents to 4 cents a bushel lower, December 2.65; corn was unchanged to 1 higher, December 2.20 3/4; oats, were 1/2 to 1/4 higher, December 1.36 1/4; and soybeans were 1/2 to 2 1/4 higher, January 5.90.

tentative 10-per-cent coupon rate.

Another offering is a \$20-million, 12-year issue of Courtaulds International Finance NV, bearing 9.75 per cent. The syndicate manager said the offering would be placed at a "market" price, which market participants interpreted to mean a yield of nearly 10 per cent.

Both Plains and Courtaulds have domestic bond issues outstanding which respectively have about 12 and 10 years left to maturity and yield about 10.87 and 10.93 per cent, so that the flotation of external issues represents a significant saving in interest cost.

While the collar remained weak in the foreign exchange market during the week, the absence of new offerings helped to keep prices firm. A \$20-million, 10-year issue of the City of Gotenborg performed well in the aftermath; after being priced at 99.5 bearing 8.75 per cent to yield 8.83 per cent, by Friday, the issue was quoted at 98.95-99.13.

However, a syndicate source said that the Eurodollar market might get tested with a \$150-million offering of a Canadian company. Sources said it seemed likely that the offering would be divided into a \$50-million, 10-

(Continued on Page 11, Col. 1.)

The U.S. Economic Scene

Midwest Business Outlook Reflects Optimism

By Thomas E. Mullaney

CHICAGO, Dec. 4 (UPI)—A post-Thanksgiving snowfall dropped temperatures in this and other parts of the Midwest as bitterly as a grim reminder of last winter's adversities but did not dim the fairly optimistic expectations that persist here for the national economy and the region's business activity at year.

New business executives think a lengthy deep freeze they will be repeated. But, said one executive, "the Midwestern community believes it is better prepared than ever for an eventuality here and in other areas of the country that are most severely affected."

There were serious weather problems a year ago in this district, it is true," said George Gos, an economist at the Federal Reserve Bank of Chicago, "but if it were less than in the past, and conditions were exaggerated at the time. Everything was much better now, anyway."

Gos cited the increased stocks of now available and the larger supply of propane gas on hand.

"I said that utilities had been hurting customers that they were overcharge the time, with the exception of Michigan, which is now opening new customers again."

It is the case elsewhere, many companies in the Midwest have been stockpiling as much coal as possible both for winter needs and hedge against a national coal strike this week, which has been termed quite likely by business analysts.

Critics arranged for all the gas production, provided for a pipeline to alternate fuel supplies if one type runs low and undertaken greater energy-conservation measures.

While businessmen and econ-

omists here see the national economy "strengthening a bit lately," as an executive put it, the general expectation is that economic growth in 1978 will not greatly exceed a 4 to 4 1/2-percent real gain. This would be slightly below the advance of "close to 5 percent" that Treasury Secretary Michael Blumenthal said he is looking for. His

comment was made last week in a New York speech.

Beryl Sprinkel, senior vice-president of the Harris Trust and Savings Bank, said he estimated a rise of "about 4 1/2 per cent for the real gross national product and a 6 1/2-per-cent advance in the price deflator next year."

Roger Anderson, chairman of the Continental Bank, Chicago's

largest, anticipates economic growth "in the range of 4 to 5 per cent, an inflation rate of around 6 per cent or maybe a little higher and, hopefully, a little reduction in unemployment." He said he believed there was an "undue feeling of pessimism in the country" but hoped that more optimism would evolve, particularly in the business community, once the energy, social security and tax programs are resolved in

New York Stock Market

NEW YORK, Dec. 4 (NYT).—The Dow Jones industrial average dropped 20.44 points last week, with the big tumble a 12-point decline on Tuesday. The blue-chip indicator finished the week at 323.98. By contrast, the American Stock Exchange's market value index, reflecting the weight of mostly smaller market-value issues, closed at 124.61, the highest level since its inception in 1975.

Trading volume on the Big Board totaled 112.58 million shares, compared with 93.77 million the previous week, which included the Thanksgiving Day holiday.

While various signs flashed across the Wall Street sky, the General Motors bellwether theory provided its followers with a caution signal. Under this, if GM's stock had been able to remain above 64 (its low of the year, set Aug. 12) through the four-month period ending Dec. 12, this would have provided a buy signal for stocks generally.

What happened instead was that GM broke through 64 to establish a new yearly low. The bellwether theory now maintains that stock prices will remain under a caution cloud for at least the next four months.

Some analysts, however, noted that the bellwether had flashed faulty signals in the past. Moreover, they added, General Motors no longer dominates the stock market as it did years ago and this tends to dilute the impact of its stock action.

Late in the week, Standard Oil of Ohio's stock tumbled in reaction to lowered earnings estimates by an investment firm, but a number of other stocks, including the New York Stock Exchange surged ahead. Among the Amex gainers were Dome Petroleum, Flying Diamond Oil, Home Oil, Shenandoah Oil and Total Petroleum.

Bond prices moved lower during the week, but both the fixed-income market and the stock market received a bit of good news after the close of trading on Thursday, when the Federal Reserve Board announced a drop of 3.4 billion in the nation's basic money supply. This decline, which exceeded earlier estimates in the investment community, was expected to exert a stabilizing effect on short-term interest rates, at least over the near future.

Artie McCaskey, who recently took the top Corp. presidency to take a similar position at the International Harvester Co., said he felt that the general estimates of a 4-per-cent gain in the GNP next year "are understated." He is "reasonably confident" that business people have the foresight to undertake additional capital-spending projects once the current uncertainties are eliminated.

Inland Steel

A spokesman for the Inland Steel Co., one of the major steel producers in this area, reported that "the company's business had looked quite a bit in the last several weeks for a wide variety of products." Reasons given were: better business activity in general, fears about cold weather, the possibility of a coal strike, the existing iron-ore strike and concern over the steel-import question.

The Chicago area is the nation's largest steel-producing center, accounting for about 26 per cent of total output. Sales increased production 1.3 million tons so far this year to a total of 28.7 million. Pittsburgh, the second major steel region, has shown an increase of only 200,000 tons to 19 million.

Chicago's retail business is also running strong, although Arthur (Continued on Page 11, Col. 1.)

Over-Counter Market

Over-Counter Market

Sales to						Net		Sales to						Net		Sales to						Net	
100s						High	Low	100s						High	Low	100s						High	Low
Dagbl-Led	.60e	30	10	10	0.0		Duffy-B	.30	23	18	99%	13	+11%	Eliff-Sc	.44	11	41	11	79%				
Edw-Led	.62e	26	26	19	2	-1e	Debrun	.20	7	189%	103%	03%	Eliff-HW	1.5e	140	172	672	172					
Edw-Sc	.62e	26	26	19	2	-1e	Duffy-B	.30	23	18	99%	13	+11%	Eliff-HW	.44	11	41	11	79%				
Edw-Sc	.62e	26	26	19	2	-1e	Duffy-B	.30	23	18	99%	13	+11%	Eliff-HW	.44	11	41	11	79%				
Edw-Sc	.62e	26	26	19	2	-1e	Duffy-B	.30	23	18	99%	13	+11%	Eliff-HW	.44	11	41	11	79%				
Edw-Sc	.62e	26	26	19	2	-1e	Duffy-B	.30	23	18	99%	13	+11%	Eliff-HW	.44	11	41	11	79%				
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Art Buchwald

The Son of Huey

WASHINGTON.—The call came in at 7 o'clock. The dispatcher ran over to his chief. "Someone's hijacked the President's energy bill and is holding it as a hostage until we give them \$40 billion."

"Get the SWAT squad and surround the Capitol," the chief ordered.

When everyone was in place the White House representative said over his loudspeaker, "This is the Carter administration. We know you're in there. Come out with your hands up."

"This is the Son of Huey," a voice shouted from a window, "and if you people make so much as a move we'll kill your energy bill once and for all."

"Hold it!" the White House man called. "We're willing to talk. Don't hurt the bill. Who else do you have in there with you?"

"We have some stubborn congressmen from the House, a few bleeding-heart senators from the East, whom we have tied up, and we're going to stay here until hell or the country freezes over."

"We don't care what you do to the congressmen or the senators. Just release the energy bill."

The Son of Huey laughed. "You'll get your energy bill, but you won't recognize it."

The White House representative shouted, "How do we know you have the energy bill at all?"

The Son of Huey held up the bill to the window. It was bat-

Buchwald

tered and torn almost beyond recognition.

"Here it is. But we're not finished with it yet. Now are you going to meet our demands?"

The White House man got on the radio to the President. "They have your energy bill all right. It's still alive, but just barely. What should I do?"

"Find out what the ransom is for getting it out."

The White House man got on the loudspeaker. "Listen, Son of Huey, we're ready to bargain. What do you want?"

"Now you're talking sense. We want an increase of gas prices to \$2.50 as opposed to \$1.75 per thousand cubic feet."

"We can live with that," the White House man said.

"We also want the revenues from the new crude oil tax to go back to the oil companies as incentives for drilling new wells."

"But that money was supposed to go to consumers who couldn't afford the high fuel rates."

The Son of Huey held up the energy bill. He had a knife and was about to slash it.

"Wait," the White House man pleaded, "I've got to talk to headquarters."

The White House man reported the demands back to the President. Mr. Carter thought about it for a moment. He's cutting the heart out of my bill, but maybe we can live with it."

The White House man shouted, "You can have the incentives for the oil companies! Now can we have the bill?"

"Are we talking about new oil or old oil?" the Son of Huey yelled.

"Which one do you want to talk about?" the White House man asked.

"Both. We should get rebates on old oil as well as new oil."

"OK, you have it. Is there anything else?"

"I want a private plane to take me to Louisiana for Christmas."

The White House man got on the radio to the President one more time.

"He says he'll release our energy bill providing we give him a private plane to take him home for Christmas."

"It's blackmail," the President sighed, "but when the country's only energy bill's life is at stake, what choice do we have?"

2 U.S. Missionaries Found Dead in U.K.

BLACKBURN, England, Dec. 5 (AP).—Two Mormon missionaries from the United States were found dead in their apartment in this northern textile town yesterday, police reported. The two were identified as Gary Appod, 26, of California, and Darrell Maddox, 21, of Utah.

A police spokesman said there was no evidence of a crime. He said there was a gas appliance in the bedroom, but the cause of death would have to be determined by an autopsy.



Two Americans at a party in the Santa Marta jail in Mexico.

Some Americans Like Life in Mexican Jails

By Marilee Simons

MEXICO CITY (WP).—New York osteopath Victor Grippaldi won't be going home for Christmas.

Grippaldi, who is serving a seven-year prison term for cocaine smuggling, is one of several hundred jailed Americans who became eligible last Wednesday to finish their sentences in U.S. prisons.

Some 215 American inmates have opted to take advantage of the new U.S.-Mexican treaty and will be transferred to U.S. penitentiaries between Friday and Dec. 17.

Grippaldi, however, has elected to sit tight in the Santa Marta men's jail. The reason: despite the all-too-true horror stories of torture and beatings some Americans regard Mexican prison life as the good life compared with what awaits them in prisons in the United States.

At Santa Marta, for example, prisoners can furnish their cells with all the comforts of home—gas stoves, televisions, stereos, whatever they can afford. If the prison menu does not suit their palates, conjugal visits are allowed up to three times a week, and inter-prison parties are held so convicts can meet new friends and lovers.

Grippaldi, who has married a local girl, gets by quite nicely these days turning out home carvings in a prison workshop. "I make an easy \$100 a week," he said, displaying his business card.

U.S. consular officials here point out that it is not always possible to earn money that easily in Mexican prisons. Their records show that the majority of the 572 American prisoners in Mexican jails receive money from home—an average of \$300 a month from relatives and friends in the United States.

Grippaldi and his friends, however, say that many of the 96 Americans held in the Santa Marta jail simply were too lazy to work.

"They'd rather carry on the emotional blackmail of their relatives," remarked one Texan, who said he had learned several trades while jailed here.

"One guy had the nerve to tell me how hard it was for his mother to collect the money she was sending him," scoffed Grippaldi. "You know what he was using that money for? He was paying off the guards so he wouldn't have to get up for roll call in the morning. On top of that, he got himself a heroin habit. A lot of these guys were shooting themselves up and getting the money from home."

The widespread availability of liquor and drugs in Mexican jails always used to be a forbidden topic when inmates talked to reporters. They feared that publicity might bring a crackdown. Now that many American inmates are about to leave, however, they suddenly feel free to talk.

The drug scene at Santa Marta has also changed since a new director, Juan Alberto Antolin, took over earlier this year.

"The previous director got a kickback to let the staff pass," Antolin said. "I was offered \$8,000 per week by a prisoner in charge of the network if I let the heroin in."

Instead, Antolin had the prisoner placed in solitary confinement, and ordered a big midnight raid with drug-sniffing dogs. Simultaneously, 120 agents and guards stormed the four prison dormitories.

"Of the 1,300 inmates, we found 368 heroin addicts and 450 frequent drug users—many of them Americans," Antolin said. While prisoners report that marijuana

and liquor are still available at Santa Marta, the heroin is gone—and virtually all the inmates agree that life has been a lot better ever since.

The main attraction for most of the American prisoners returning to the United States seems to be that they will become eligible for release much quicker than they would here. Mexico, for example, requires that drug offenders serve their full sentences with no chance of parole.

According to the U.S. Embassy, almost 60 of the 215 prisoners who are awaiting return to the United States will be eligible for immediate release. The others, who will be held initially at the Metropolitan Correctional Center in San Diego, have been promised prompt meetings with parole boards.

Many of the American prisoners who will remain behind are not eligible to transfer to U.S. jails under the new program. To qualify for transfer, a prisoner must have already been sentenced, must have no appeals pending, and must receive permission from both the Mexican and U.S. governments. Prisoners jailed on political or immigration charges are not eligible.

At the Santa Marta men's jail, excitement among the Americans preparing to leave was mounting as the long-awaited day nears.

In the view of some of the inmates who opted to remain behind, it will be good riddance.

"I'm glad they're going so there'll be an end to the whining," snorted Grippaldi. "Mummy, mummy, your dear little baby got busted." That's all you hear. The dear little baby was trying to make a fast few thousand bucks smuggling dope. So he got caught.

PEOPLE: The Sailing Grand Gets Big Welcome

Anne Gash, a 54-year-old grandmother, left Australia 2 1/2 years ago without telling her family where she was going because she was afraid they would try to talk her out of it. Monday she sailed her 37-foot yacht into Sydney harbor, trailed by a welcoming flotilla of craft and a ferry hired by friends and relatives, after a 2 1/2-year voyage around the world. "I just didn't have enough money to get to England in a conventional way, so I decided to try sailing," she said, sipping champagne at the Middle Harbor Yacht Club. She sailed via South Africa and the Cape of Good Hope to Britain and returned via Spain, the Canary Islands, Trinidad, Panama, Tahiti and Tonga. Her mother, Hester Cockburn, 87, said her daughter had always been an adventurous person, a fact that got her into mischief when she was a child. "I am the proudest mother in the world, but I can't begin to tell you the worry I have been through," she said. She kept records, tape recordings and photographs of her daughter's voyage.



Lester M.

Agnetha Falstok, 27, of the Swedish pop group Abba, gave birth to an 8-pound 6-ounce boy Sunday in Stockholm. Her husband, Bjorn Ulvass, co-founder of the group, who attended the delivery, said, "Both mother and child—and myself—feel great. He looks just like me." The couple have a daughter, Linda, 4.

Former Georgia Gov. Lester Maddox is selling Lester Maddox watches, Confederate flags, plastic chicken bones and other souvenirs on weekends at a stall he has opened in an Atlanta flea market to recoup financial losses. He says he is more than \$300,000 in debt from his campaigns for the post of governor. He had a heart attack in September but says he is recovering.

U.S. Gov. Lowell Thomas Jr., son of the commentator, apologized "to all Alaskans who may have been offended" by his recent remark that racial intermarriage was "against nature." Thomas said that the remark, made before the Alaska Black Caucus last week, "revealed a shortcoming in my personal attitude which I will endeavor to overcome." The lieutenant governor said he found it difficult to explain to himself

why he could have sentiments, since intervened with me only last year to prisoner and his wife. "So why mark a week of blacks and me?" he asked. "I say, except that it resented a prejudicial childhood that, I not even aware of, as's original rema, widespread demar sign."

Keith Richards, ordered to stand charges by a Richard, 34, is charging heron for trafficking, and a \$25,000 and is to again on Feb. 6, date will be set. Th a maximum pena prison.

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